

March 3, 2023

Dr. Benjamin Cotton
Commonwealth of Pennsylvania, Public School Employees' Retirement System ("PSERS")
5 North Fifth Street
Harrisburg, PA 17101

Re: DIF Infrastructure Fund VII SCSp

Aksia LLC ("Aksia"), having been duly authorized by Board of PSERS, has evaluated and hereby recommends, in line with PSERS' Investment Policy Statement, Objectives, and Guidelines, an amount not to exceed €200 million in DIF Infrastructure Fund VII SCSp (the "Fund" or "DIF VII").

DIF Capital Partners (the "Firm" or the "GP") was founded in 2003 by Maarten Koopman and Menno Witteveen to invest in European public-private partnerships ("PPP"), which resulted in the launch of its first fund, Dutch Infrastructure Fund. Dutch Infrastructure Fund closed in 2006 and the Firm subsequently raised a separate renewable energy mandate in 2008. The GP's flagship strategy began to take shape in 2010 with the raise of DIF Infrastructure Fund II, which bridged the Firm's PPP and renewable energy strategies. Since that time, the DIF series has gone on to raise four additional commingled funds. Today, the Firm employs approximately 190 employees across 11 global offices and oversees approximately €11.2 billion of assets under management.

The Firm is seeking €4 billion of capital commitments for DIF VII. The Fund held a first close in July 2022 and expects a final close in the first half of 2023. DIF VII is expected to utilize the same strategy and approach as its predecessor funds, targeting availability-based PPPs and concession-oriented investments in addition to opportunities within renewables and public utilities, among others. The Fund will canvas a broader spectrum of core and build-to-core opportunities globally, albeit with a focus on assets located in Europe or North America.

Overall, we believe the Firm is of institutional quality given its well-resourced sourcing, asset management, exit, and back-office functions, in addition to its experience investing in the asset class.

Aksia's recommendation is based upon the following analytical factors and is made within the context of PSERS' investment guidelines:

- Due diligence of the Fund's investment process, including a review of the sponsor, investment strategy, market positioning, investment personnel, and risk management;
 - Most recent investment due diligence review conducted February 2023
- Due diligence of the Fund's operations, including a review of its organizational structure, service providers, regulatory and compliance, and financial statement analysis;
 - Most recent operational due diligence review conducted January 2023
- Consideration of the Fund's strategy within the context of the current investment environment; and
- Consideration of the Fund's strategy as a component of PSERS' portfolio

This recommendation is given solely for the benefit of PSERS and cannot be relied upon by other investors considering an investment in the Fund, since their needs, objectives, and circumstances may not be identical to those of PSERS. Aksia manager recommendation memos should be reviewed with other Aksia due diligence materials, including the due diligence reports. This recommendation is made in the context of the attached Due Diligence Reports for the Fund. In addition, please consult your tax, legal and/or regulatory advisors before allocating to any private investment fund.

Please feel free to contact us should you have any questions about this recommendation.

Respectfully,



Thomas Martin
Partner, Head of Private Equity & Real Assets Research



Simon Fludgate
Partner, Head of Operational Due Diligence